TEXAS DEPARTMENT OF TRANSPORTATION

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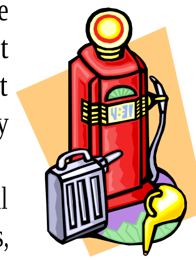
Sensenbrenner Files Gas Tax Moratorium/Repeal Act

Proposal Would Cost Texas $1 billion

Recently, Representative James Sensenbrenner (R - WI) introduced his Freedom from Unfair Energy Levy (FUEL) Act (H.R. 1575), which would put a six month moratorium on all federal motor fuels taxes and would permanently repeal the 4.3 cents per gallon tax, which until 1998, was used for deficit-reduction purposes. (The 4.3 cents now goes into the Highway Trust Fund for highway and transit uses.) In introducing his bill, Sensenbrenner said that the measure would provide "immediate assistance to every American who now bears the burden of steel fuel costs." He also stated that "In reality, the economic damage caused by high fuel prices far outweighs any impact on federal spending that a six-month moratorium would cause." The real reality is that a six-month moratorium would costs the Highway Trust Fund about $15 billion, and Texas' share of that is about $1 billion.



In a related matter, the Bush Administration's energy task force headed by Vice President Dick Cheney will not recommend cutting the federal gasoline tax as a way to bring motorists immediate relief from soaring prices, Energy Secretary Spencer Abraham said this week. Although Abraham as a Senator voted last year to cut the gas tax in the face of rising prices, he now says that the Bush Administration has not given any serious consideration to any such measures. "Congress overwhelmingly voted against me on that [and] I don't think the sentiments in Congress have changed at all on that issue," Abraham told reporters this week.

Mexican Motor Carrier Safety Rules Proposed

Changes Would Establish Safety Audit and Monitoring Program

The Federal Motor Carrier Safety Administration (FMCSA) on May 3, 2001, published proposed rules in the *Federal Register* that would require Mexican trucking firms that will operate in the U. S. under NAFTA provisions to pass at least one safety audit within 18 months of being allowed U. S. access to continue U.S. service. If an audit finds that a Mexican carrier does not "satisfactorily exercise basic safety management controls," the carrier would have to cease U.S. operations. The FMCSA is also developing a proposal to establish a comparable safety monitoring program for all new entrant U.S.- and Canadian-based carriers. Finally, two other proposals would allow Mexican carriers to apply for authority to operate either in border commercial zones (as currently allowed) or beyond the border area through separate application procedures. Comments on the rules are due July 2.

The ***Federal Flyer*** is a publication of the TxDOT Legislative Affairs Office. It is intended to provide up-to-date information on major legislative activities in the 107th Congress for the management of the Texas Department of Transportation, state leaders, and others interested in Texas transportation issues. This report will also feature key activities in the national transportation community. Sources include news services and staff reports.

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